

SUMMARY OF BUSINESS OPPORTUNITY

This summary provides a synopsis of the key elements of the National Park Service (hereinafter “NPS” or “Service”) Draft Concession Contract CC-GRSM007-17 (“Draft Contract”) that will require the operation of guided horseback rides, wagon and/or carriage rides, vending, firewood and ice, and souvenirs at Smokemont Riding Stables within Great Smoky Mountains National Park.

The Service has been given specific legislative authority to issue concession contracts, and the Draft Contract will be subject to that law. In the event of any inconsistency between the terms of the Draft Contract and this summary, the Draft Contract will control.

Overview of Concession Services to be Required and Authorized

A summary of Required and Authorized concession services under the Draft Contract is provided below in Exhibit 1. The Concessioner must provide the Required Services and may, at its option, provide the Authorized Services. The Concessioner will submit a plan to the Superintendent detailing how, when, and where Authorized services will be provided. The Superintendent must approve all Authorized Services and any merchandise to be sold by the Concessioner.

Exhibit 1. Required and Authorized Services under the Draft Contract

Required Services	
Guided Horseback Rides	
Wagon and/or Carriage Rides	
Vending	
Firewood and Ice	
Souvenirs	
Authorized Services	
Souvenir Photographs	
Camper Convenience Items	

Source: National Park Service

Concession Facilities

A list of assigned land and real property improvements (“Concession Facilities”) along with a map can be found in Exhibit C to the Draft Contract, which is presented in Part V of this Prospectus. The Service may construct new facilities at some point during the duration of the contract. A new comfort station will not be rebuilt, so the existing one will continue to be used under the Draft Contract. The Concessioner will be responsible for maintenance, repairs, housekeeping, and grounds-keeping of the Concession Facilities, as provided in the Draft Contract.

Estimate of Initial Investment

Exhibit 2 summarizes the estimated initial investment to be made by the Concessioner, as projected by the Service, is \$388,602 in 2017 dollars. This estimate includes the purchase of personal property, inventory and working capital, and start-up costs (staff hiring, training, etc.). Note that there is no leasehold surrender interest or deferred maintenance.



Exhibit 2. Estimated Initial Investment (2015)¹

Item	Estimated Amount (2015 Dollars)
Personal Property	\$361,572
Start-up Costs	\$16,497
Inventory and Working Capital	\$10,533
TOTAL	\$388,602

Source: National Park Service

¹ These estimates are not warranted by the Service and the Service is not bound by these estimates. All Offerors are responsible for conducting their own due diligence and calculating their own revenue and expense estimates.

Historical Annual Revenue

Exhibit 11 presents total concession annual revenue from 2012 to 2014 broken down by department.

Exhibit 3. Smokemont Riding Stables Revenues, 2012-2014

Department	2012	2013	2014
Guided Horseback Rides (incl. wagon rides)	\$299,894	\$277,775	\$304,173
Vending	\$1,390	\$1,252	\$1,600
Firewood and Bagged Ice	\$20,592	\$17,793	\$20,416
Souvenirs	\$3,145	\$5,935	\$4,755
Total	\$325,021	\$302,755*	\$330,944

Source: National Park Service

*Note that in 2013 a Government Shutdown occurred which closed the operation for a period of time in October.

Exhibit 4 presents the annual franchise fees paid from 2012 to 2014.

Exhibit 4. Franchise Fees Paid, 2012-2014

2012	2013	2014
\$13,001	\$12,110	\$11,615*

Source: National Park Service

*Note that in 2014 October Franchise Fee payments were waived for Concessioners who operated during the 2013 Government Shutdown.

Preferred Offeror Determination

The 1998 Concessions Act includes the limited right of preference in renewal for statutorily defined outfitter and guide services and small contracts. The Service has determined, pursuant to 36 C.F.R. Part 51, that the Existing Concessioner is a "preferred offeror" who is eligible to exercise a right of preference for the award of the Draft Contract.

Franchise Fee

The minimum franchise fee will be equal to **two and a half percent (2.5%)** of the Concessioner's annual gross receipts for the preceding year. However, Offerors may propose a higher minimum franchise fee, as described more fully in the Proposal Package (included in part IV of this Prospectus).



Contract Term

The Draft Contract will be for a term of ten (10) years with an estimated beginning date of January 1, 2017. The effective date of the Draft Contract may change prior to contract award if determined necessary by the Service. The Service will change the expiration date of the Draft Contract to provide the same term length (10 years) due to any adjustment to the effective date.

Site Visit

A one-day site visit is scheduled on the date listed on the inside front cover of this Prospectus. If you plan on attending the site visit and would like more information, please contact Molly Schroer, Concession Management Specialist, at (865) 436-1209 or Molly_Schroer@nps.gov. Please RSVP by the date listed on the inside front cover of this Prospectus. The site visit will be an opportunity for all interested parties to get an overview of the concession operation along with a tour of the Concession Facilities associated with the Draft Contract.

